

## Status of Agricultural Marketing Reforms in Maharashtra.

Maharashtra is the leading State in agricultural marketing reforms in India. Recently, Maharashtra State has been ranked first in the country by NITI Ayog in adoption and implementation of Agricultural Marketing Reforms. The reforms undertaken and the results thereof are summarized as under.

### A) Reforms in consonance with Model Act, 2003

The Govt. of India introduced in 2003 the State Agricultural Produce Marketing (Development & Regulation) Act, 2003 (Model Act). In the year 2005, the Government of Maharashtra amended the Maharashtra Agricultural Produce Marketing (Development & Regulation) Act, 1963 (MAPM Act, 1963) and has incorporated following major amendments from the Model Act, 2003.

1. Direct Marketing Licence
2. Single Market Licence for the whole State
3. Private Markets
4. Farmer Consumer Markets
5. Contract Farming

The details are as under –

1. **Direct Marketing Licence (DML)** :- The Government of Maharashtra amended the MAPM Act, 1963 and introduced provision of Direct Marketing Licence for processing, export, trade of agricultural produce of particular specification, and grading, packing & transactions in any other way by value addition of agricultural produce.

The Director of Marketing empowered to issue licences wherein the licensee could purchase agricultural produce directly from farmers by opening procurement centers. The licensee has to disclose purpose of procurement, location of procurement centers, and produce Bank Guarantee as specified in the MAPM Rules up to Rs. 15 lakh (up to \$ 22062).

The Licensee was also required to pay market cess @ 1% of the total value of procurement to the concerned Agricultural Produce Market Committees (APMCs). The MAPM Act, 1963 was also further amended to exempt the Farmer Producer Companies (FPCs) from tendering Bank Guarantee, so that the FPCs could directly market its produce.

Till September 2018 total 940 licences have been issued and the details are as under :

Category	No. of Licences
Corporate Cos.	295
Farmer Producer Companies	464
Individual Farmers	70
Farmer Group	39
Cooperative Societies	16
<b>Total</b>	<b>940</b>

The total turnover of the DML Licencees as on 31<sup>st</sup> March 2018 was **Rs.2791 crores (\$ 411 Million)**

**The prominent players in DML are as under:**

<b>Sr. No.</b>	<b>Name of Company</b>	<b>Year of issuing Licence</b>	<b>Crops</b>	<b>Districts / Procurement centers</b>
1.	ADM Agro Industries latur	2007	Soyabean Gram Pigeon pea	Latur, Beed, Osmanabad, Nanded,
2.	Manjeet Cotton	2008	Cotton	Parbhani, Nanded
3.	Suguna Foods	2008	Soyabeen, Maize	Hinganghat ,
4.	Metro Cash & Carry	2008	All foods & Grain & Pulses	Mumbai, Pune
5.	ITC Ltd. Nagpur-	2008	Wheat Soyabean Potato	Nagpur
6.	Avenue Supermarts Limited	2008	Vegetables Split Gram	Turbhe, Shirodhan, Bhivandi, Vadgaon
7.	Reliance	2010	Vegetables	Pune

2. **Single Market Licence** :- In 2005 the MAPM Act, 1963 has introduced Single Marketing Licence wherein a licensee could directly purchase notified agricultural commodities from more than one markets on basis of a single licence.

The licensee has to pay Bank Guarantee of Rs. 5 lakhs (\$ 7354) and could participate in auction processes of APMCs. A total of 28 licences were issued under this category and the major players are as under.

<b>Sr. No.</b>	<b>Name of Licencee</b>	<b>Year of issuing First Licence</b>	<b>Crops</b>	<b>Districts / Procurement centers</b>
1.	Sneha Foods & Feeds, Chandrapur	2015	Soyabeen	Chandrapur
2.	Sri Ambika Solvex Limited, Vani Dist. Akola	2009	Soyabeen	Akola
3.	Glencore Agriculture India Pvt. Ltd. Mumbai 400 025	2017	Soyabeen	Mumbai
4.	Wall Mart India Pvt ltd., Best Price	2015	Pulses	Aurangabad , Amravati
5.	Shalimar Nutrients Private Limited, Katol-441 302 Dist. Nagpur	2013	Soyabeen	Nagpur

Sr. No.	Name of Licencee	Year of issuing First Licence	Crops	Districts / Procurement centers
6.	Dayal Energy & Proteins Ltd., Dist.Akola (M.S.) 444 014	2015	Soyabeen	Akola
7.	Inditrade Commodities trading limited (West) Mumbai	2017	Soyabeen	Mumbai

3. **Private Markets:-** The MAPM Act, 1963 was amended in 2005, wherein a private investor could establish a private market subject to following conditions :
- Land of 10 acres in Municipal Corporation area & 5 acres in all other areas.
  - Establishment of infrastructure as – Godown, Sale Hall, Trading Platforms, and other Marketing Structures as primary requirement.
  - Minimum 20 traders were required to operate in the area of operation

This enabled private markets being established in the area of existing APMCs, thus giving farmers more choice to sell their produce. Upto September 2018 total 50 Private Markets have been operating in Maharashtra. The Private Market Operator was permitted to sell the shops to traders and was also allowed to recover cess @ 1% on the lines of APMCs. The prominent private markets are as under:

The prominent players in private markets are as under:

Sr. No.	Name of Private Market	Year of issuing Licence	Crops	Districts / Procurement centers	Turnover
1.	Maharashtra Agriculture Farm Produce Private Market Yard. Modha Bu. Tal. Sillod Dist Aurangabad.	2011	Cotton	Aurangabad	
2.	Shantilal Jain Agro produce Market Pvt. Ltd. Bodwad , Gat. no. 575/2 Manur Road Bodwad Taluka Bodwad District - Jalgaon. 425310	2012	Cotton , Maize Chana, Jawar	Jalgaon	
3.	Vijaya Agri Pvt. Market Ltd., Jamner, Gut No.29/2, Garkheda Shiwar, Jamner, Jalgaon	2012	Cotton	Jalgaon	
4.	Balaji Krushi Market, Gat No-221, 222, 226, Village-Mukutban , Tal-Zarijamni Dist-Yavatmal	2012	Cotton	Yavatmal	
5.	Perfect Krishi Market Yard Pvt Ltd., Nilgiribaag, Rasbihari Road, Nandur, Nashik	2014	Pomegranates Tomato	Nashik	

Sr. No.	Name of Private Market	Year of issuing Licence	Crops	Districts / Procurement centers	Turnover
6.	Shetkari Khajgi Bazar Parisar, At. Po. Jakapur, Bhokar Dist Nanded	2013	Cotton	Nanded	
7.	Kisanseva Private Market Ltd., Jakhmatha, Ta. Gangapur, Dist. Aurangabad	2012	Cotton, Maize	Aurangabad	

The turnover in these markets is around **Rs. 3000 crores (\$ 407 Million)**. New private markets are coming up.

4. **Farmer Consumer Markets :-** The MAPM Act, 1963 was amended in 2005 to introduce Farmer Consumer Market on the lines of Raitu Bazaar Scheme on Andhra Pradesh. The amendment enabled APMCs to establish Farmers Consumer Markets wherein farmers could directly sell their produce to consumers. However, the scheme did not attract much support from the APMCs and Farmer Consumer markets have not come up.
5. **Contract Farming :** The MAPM Act, 1963 was amended in 2005 so that private entrepreneurs could enter into a Contract with Farmers and purchase agricultural produce from them at predetermined rates.

These provisions expressly provided that the ownership title of the agricultural land is not transfer to the sponsorer . The Contract Farming achieved success in the following cases.

Sr. No	Sponsorer Company	Crop	Procurement Districts	Purpose
1	Pepsico	Potato	Pune, Bhandara	Processing for potato chips
2	Kaybee	Fruits and vegetables	Satara, Solapur	Export of fruits and Vegetables to Europe
3	Jain Irrigation	White Onion	Dhule, Jalgaon, Nashik	Processing

Yearwise turnover cumulative of initiatives under Agricultural Market Reforms

Year	DML		PML		Single Licence	
	No of Licences	Turnover (Rs. In Crs.)	No of Licences	Turnover (Rs. In Crs.)	No of Licences	Turnover (Rs. In Crs.)
2010-11	18	0	8	0	6	
2011-12	4	0	13	0	17	0.022
2012-13	44	1116.34	22	0	5	0.091
2013-14	17	1774.90	22	1375.00	13	0.095
2014-15	48	1182.11	28	3064.00	28	0.260
2015-16	34	1553.56	34	3121.00	32	0.290
2016-17	103	2279.44	52	3013.91	39	2844.91
2017-18	230	2791.88	50	2946.79	46	2256.76

B) **Deregulation of sale-purchase of fruits and vegetables outside the market area.** In 2016 the Government of Maharashtra amended the Section 31(1) of the MAPM Act, 1963 to deregulate fruits and vegetables outside the market area. This enabled the private traders to trade outside Market area without payment of the market cess. The immediate outcome was establishment of weekly bazaars in metropolitan cities of Pune and Mumbai where farmers could directly sell their produce to consumers.

**Savta Mali Weekly Bazaar Scheme** – GoM introduced Savta Mali Weekly Bazaar Scheme which became popular in farmers who bring agricultural produce to urban consumer for direct sale.

Sr.No.	Location	No. of weekly bazaar.
1	Pune & Pimpri Chinchwad	66
2	Mumbai	16
3	Thane	9
4	Navi Mumbai	7
5	Nagpur	6
6	Aurangabad	3
7	Solapur	3
	Total	110

The amendments also opened the Mango trade in urban area where Mango festival was organized wherein farmers sold mangoes to urban consumers.

C) **Recovery of Commission from traders:** - In 2017 the MAPM Act, 1963 was amended wherein commission paid to the traders was recovered from the purchasers instead of farmers. This relieved farmers from payment of commission and the farmers could receive rate as traded in the market without any deductions.

D) **E-Trading platform** – In 2018, the MAPM Act, 1963 was amended so as to introduce E-trading. This enabled to implement ENAM project of Govt. of India. Presently, E-NAM is being implemented in total 60 APMCs and 25 APMCs sponsored under Maharashtra Agricultural Competitiveness Project (MACP) have switched their trading on E-Platform.

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